

**STATE OF MICHIGAN
DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES**

Before the Director of the Department of Insurance and Financial Services

In the matter of:

Department of Insurance and Financial Services

Enforcement Case No. 21-16431

Petitioner,

v

Eric Donovan Bradford
Unlicensed

Respondent.
_____ /

**Issued and entered
on December 2, 2021
by Randall S. Gregg
Senior Deputy Director**

FINAL ORDER TO CEASE AND DESIST

I. Background

On or about November 6, 2020, DIFS staff received information about unlicensed activity by Eric Donovan Bradford, also known as “Eric Fonzarelli” (Respondent). As a result, DIFS began an investigation into Respondent’s activities and determined that he had committed acts in violation of the Michigan Insurance Code of 1956 (Code), 1956 PA 218, as amended, MCL 500.100 *et seq.*

DIFS’ investigation confirmed that Respondent engaged in the unlicensed negotiating, selling, and soliciting of insurance and acted as an agent of State Farm Insurance and Allstate Fire and Casualty Insurance Company without an appointment. In addition, DIFS found that Respondent’s acts included supplying false information to the Michigan Secretary of State, issuing altered, fraudulent and counterfeit certificates of insurance, diverting and attempting to divert funds from an insurer and/or other persons in exchange for fraudulent insurance policies, and preparing, issuing and delivering false insurance documents. Accordingly, pursuant to MCL 500.251, on May 17, 2021, DIFS issued an Order to Cease and Desist with Statement of Findings and Notice of Opportunity for Hearing (Initial Order) to Respondent. The Initial Order was mailed to Respondent on May 20, 2021, via certified and first-class mail.

The Initial Order contained findings that Respondent had violated MCL 500.1201a(1), MCL 500.1208a(1), MCL 500.2271(a) and (b), MCL 500.3101a(5) and MCL 500.4503(g)(i). Moreover, the Initial Order informed Respondent that his violations of the Code subjected him to significant sanctions under MCL 500.150, MCL 500.1244 and MCL 500.2277, and that his actions constituted a fraudulent insurance act as defined by MCL 500.4503(g)(i). In addition, Respondent was informed that his violation of MCL

500.3101a(5) may be considered a misdemeanor under MCL 500.3101a(5) and his violation of MCL 500.4503(g)(i) may be considered a felony under MCL 500.4511. Furthermore, the Initial Order informed Respondent that he had 30 calendar days after service of the Initial Order to contest it by requesting a hearing. The Initial Order also informed Respondent of the process by which he could request a hearing. Respondent failed to request any such hearing.

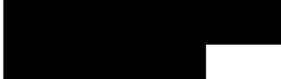
On September 21, 2021, DIFS staff filed a Motion for Final Order to Cease and Desist. Respondent did not file a reply to the motion. Given Respondent's failure to respond, Petitioner's motion is granted. Moreover, because the Initial Order was unchallenged, both the factual and legal allegations contained in it are accepted as true. Based upon the findings contained in the Initial Order as well as DIFS' files and records regarding this enforcement action, the Senior Deputy Director makes the following Findings of Fact and Conclusions of Law.

II. Findings of Fact and Conclusions of Law

1. The Director is statutorily charged with the responsibility and authority to administer and implement the Code. See MCL 500.100 *et seq.*
2. On or about November 6, 2020, DIFS staff received information about possible unlicensed activity by Eric Donovan Bradford, aka "Eric Fonzarelli" (Respondent). Respondent was not licensed under the Code.
3. After an investigation, DIFS staff confirmed that Respondent has engaged in activities regulated by the Code, without the requisite license, and has therefore violated the insurance laws of this state.
4. A representative of State Farm Insurance (State Farm) provided DIFS with copies of certificates of insurance purporting to show four individuals' automobile insurance coverage under State Farm policies. Each of the four State Farm policies listed the same person as the agent.
5. DIFS' subsequent investigation determined that the certificates of insurance were not valid, and that Respondent had provided the insurance certificates.
6. DIFS' investigation also disclosed that Respondent had issued invalid certificates of insurance to three more individuals. These certificates of insurance purported to have been issued by "Allstate Fire and Casualty Insurance Company" (Allstate).
7. Over approximately 13 months, the Michigan Department of State (MDOS) collected 101 fraudulent insurance certificates stating that, consistent with the fraudulent certificates produced by Respondent, various prospective insureds had automobile insurance coverage through State Farm and listed the same person, as noted in ¶ 4, as the agent.
8. Over a two-month period, MDOS collected a total of 11 fraudulent insurance certificates purporting to provide coverage under the same Allstate policy referenced above, including the two individuals DIFS' discovered during its investigation. These were consistent with the fraudulent certificates produced by Respondent.

9. MDOS provided DIFS with the following address for Respondent: [REDACTED]. DIFS confirmed this address via an Accurint search, which also provided a phone number for Respondent. DIFS confirmed the phone number with a third-party automobile dealership that had an employee who had referred customers to Respondent for automobile insurance.
10. During the course of DIFS' investigation, a DIFS investigator contacted Respondent via telephone. Respondent discussed automobile insurance via text message and e-mailed the investigator an automobile insurance certificate showing that the investigator, under an alias, had automobile insurance coverage through State Farm.
11. Respondent further communicated to the investigator that he would provide six months of automobile insurance for \$300.00, with payment to be sent to Respondent's via his Cash App account.
12. Respondent indicated that the insurance certificates he provided could be presented to the MDOS to renew automobile registrations.
13. Respondent also stated that he would pay the investigator \$50.00 for customer referrals.
14. Respondent knew or reasonably should have known that MCL 500.1201a(1) prohibits an unlicensed person from selling, soliciting or negotiating insurance without a license.
15. By negotiating, selling, and/or soliciting insurance as an unlicensed producer as defined by MCL 500.1201(m), (n) and (o), Respondent violated MCL 500.1201a(1).
16. Respondent knew or reasonably should have known that MCL 500.1208a(1) prohibits acting as the agent of an insurer without an appointment.
17. By negotiating, selling, and/or soliciting insurance and/or otherwise acting as an agent of State Farm and/or Allstate without an appointment, Respondent violated MCL 500.1208a(1).
18. Respondent knew or reasonably should have known that MCL 500.2271(a) prohibits a person from issuing or delivering a certificate of insurance that alters, amends or extends the coverage of the policy.
19. By issuing and/or delivering fraudulent certificates of insurance that altered, amended or extended coverage, Respondent violated MCL 500.2271(a).
20. Respondent knew or reasonably should have known that MCL 500.2271(b) prohibits a person from preparing or issuing a certificate of insurance containing false or misleading information concerning the insurance policy.
21. By preparing and/or issuing fraudulent certificates of insurance containing false or misleading information, Respondent violated MCL 500.2271(b).
22. Respondent knew or reasonably should have known that MCL 500.3101a(5) prohibits a person from issuing an altered, fraudulent or counterfeit certificate of insurance.

23. By supplying false information to the Michigan Secretary of State and/or issuing altered, fraudulent or counterfeit certificates of insurance, Respondent violated MCL 500.3101a(5).
24. Respondent knew or reasonably should have known that MCL 500.4503(g)(i) prohibits him from diverting, attempting or conspiring to divert the funds of an insurer or other persons in connection with the transaction of insurance.
25. By diverting and/or attempting to divert funds from an insurer and/or other persons in exchange for fraudulent insurance policies, Respondent violated MCL 500.4503(g)(i).
26. Respondent's violations of the Code were intentional in nature.
27. On May 20, 2021, true copies of an Order to Cease and Desist with Statement of Findings and Notice of Opportunity for Hearing (Initial Order) were mailed by certified, first-class mail to Respondent at the following addresses:

Eric Donovan Bradford

28. DIFS staff has made reasonable efforts to serve Respondent and has complied with MCL 500.1238(2).
29. Respondent was properly served with notice of this action was given an opportunity to request a hearing and contest the charges contained within the Initial Order. DIFS has not received a request for hearing from Respondent and the Initial Order sent to Respondent by certified, first-class mail was not returned.
30. Respondent is in default, has waived his right to contest either the factual or legal conclusions contained in Petitioner's Motion for Entry of Final Order to Cease and Desist, and Petitioner is entitled to have all allegations accepted as true.

III. Order

Based upon Respondent's conduct and the applicable law cited above, it is ordered that:

- A. Pursuant to MCL 500.251, MCL 500.150(1), MCL 500.1244(1) and MCL 500.2277, Respondent shall immediately CEASE AND DESIST from all activities in violation of the Code, as described above.
- B. Pursuant to MCL 500.150(1)(a), Respondent shall pay a fine of \$5,000.00 for knowingly and intentionally supplying false information to the Michigan Secretary of State, issuing altered, fraudulent or counterfeit certificates of insurance, and diverting and attempting to divert funds from an insurer and/or other persons in exchange for fraudulent insurance policies, as described above.
- C. Pursuant to MCL 500.1244(1)(a), Respondent shall pay a fine of \$5,000.00 for his knowing and intentional practice of insurance without a license, and his knowing and intentional acting as an agent of State Farm and/or Allstate without an appointment, as described above.

- D. Pursuant to MCL 500.2277(a), Respondent shall pay a fine of \$2,500.00 for his knowing and intentional preparation, issuance, and delivery of false insurance documents, as described above.

Anita G. Fox, Director
For the Director:



Randall S. Gregg, Senior Deputy Director